

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 56 – SB 225**

February 19, 2021

**SUMMARY OF BILL:** Changes, from August 15<sup>th</sup> each school year to on or before July 21<sup>st</sup> in 2021-22; June 26<sup>th</sup> in 2022-23; and June 1<sup>st</sup> in 2023-24 and each school year thereafter, the dates utilized for determining when a child may enter kindergarten. Changes, from September 30 each school year to on or before August 31<sup>st</sup> in 2022-23; and July 31<sup>st</sup> in 2023-24 and subsequent school years, the dates utilized by a director of schools when determining if a child may enter kindergarten early, after determining the child is sufficiently mature. Authorizes children who participate in a pre-kindergarten program administered by a local education agency (LEA), private school, or Head Start program during the 2021-22, 2022-23, or 2023-24 school years to enter kindergarten in the 2022-23, 2023-24, and 2024-25 school years provide that they are five years of age by the required dates.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The proposed legislation may impact student enrollment in kindergarten classrooms throughout the state, which may shift the amount of funds generated by the Basic Education Program (BEP) forward by one year beginning in FY22-23 and ending in FY24-25.**

**Actual expenditures will decrease in FY21-22 through FY23-24 due to decreased enrollment relative to current law. The overall net impact on funding and expenditures from FY21-22 through FY25-26 will be not significant.**

**Assumptions:**

- The proposed legislation may decrease enrollment for kindergarten students in the 2021-22 school year and increase enrollment in the 2022-23 school year; however, that number is expected to be offset in subsequent years such that the impact to kindergarten class size will not be significant.
- The proposed legislation may increase the number of voluntary pre-kindergarten (VPK) classrooms needed to serve children with summer birthdates that are not eligible to enroll in kindergarten.
- Tennessee Code Annotated § 49-6-107 requires that VPK programs are subject to annual appropriations. However, because additional funding has not been appropriated to expand the VPK program, enrollment would continue to limit the number of students that can be served.

- Student enrollment is measured by average daily membership (ADM) and is the primary driver of funds generated by the BEP for the following fiscal year, the funding formula through which state education dollars are generated and distributed to Tennessee schools.
- Decreasing enrollment in FY21-22, FY22-23, and FY23-24, and increasing enrollment in FY24-25 may lead to a shift in funding forward one year beginning in FY22-23 and ending in FY24-25; the net impact over the entire period is not significant.

School Year	5 Years of Age By	Change in Funding Based on ADM	Enrollment Change From Prior Year	Change in Funding
2021-22	July 21st	2020-21	Decrease	None
2022-23	June 26th	2021-22	Decrease	Increase
2023-24	June 1st	2022-23	Decrease	Increase
2024-25	June 1st	2023-24	Increase	Increase
2025-26	June 1st	2024-25	None	Decrease
2026-27	June 1st	2025-26	None	None

- Actual expenditures will decrease in FY21-22 through FY23-24 due to decreased enrollment; these expenditures will shift forward one year until FY24-25. Due to multiple unknown factors, including the extent and distribution of kindergarten enrollment changes across schools the precise impact to state and local expenditures cannot reasonably be determined.

## CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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